SUPREME COURT, U. S.
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No. 71-1179

In The
SUPREME COURT OF THE UNITED STATES

October Term, 1971

AMOCO PRODUCTION COMPANY,
Petitioner,

vs.

LELAND C. WAECHTER, *et al.*, and
THE LAND AND ROYALTY OWNERS OF LOUISIANA,
Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE DISTRICT OF COLUMBIA CIRCUIT

PETITION FOR REHEARING

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June 30, 1972

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PETITION FOR REHEARING

Amoco Production Company, Petitioner herein, respectfully petitions this Court for rehearing upon the Order entered on June 7, 1972, denying the Petition for Writ of Certiorari and respectfully requests that this Court enter an Order vacating its Order of June 7, 1972, and granting the Petition for Writ of Certiorari filed herein by Amoco Production Company.

In support of its Petition, Amoco Production Company adopts the grounds stated in the Petition for Rehearing filed by Mobil Oil Corporation in *Mobil Oil Corporation v. Carl F. Matzen, et al.*, Case No. 71-1169, October Term,

1971. The June 7, 1972, decision of this Court in *Federal Power Commission v. Louisiana Power & Light Co.*, — U.S. — (Nos. 71-1016, *et al.*, Oct. Term 1971), involves the same type of issue that is before this Court in the instant case. There, the question before this Court was whether the Natural Gas Act, 15 U.S.C. §§717, *et seq.*, prescribes gaps in Federal Power Commission regulation of interstate pipeline companies so as to allow private interests to subvert comprehensive and equitable gas curtailment plans approved by the Commission to mitigate the effects of the natural gas shortage.

In the instant case, the question is whether the Natural Gas Act prescribes gaps in Commission regulation of interstate pipeline company costs of purchasing natural gas that allow private interests to subvert comprehensive Commision plans to protect consumers from excessive rates and encourage making available additional gas supplies to interstate pipeline companies. The decision of the Court of Appeals allows such gaps.

The decision of this Court in *Federal Power Commission v. Louisiana Power & Light Co.*, — U.S. — (Nos. 71-1016, *et al.*, Oct. Term 1971) that the Natural Gas Act does not contemplate gaps in Commission authority to regulate deliveries of gas by interstate pipeline companies indicates that decisions that gaps exist in Commission authority to regulate the gas purchase costs of interstate pipeline companies should also be reviewed by this Court. This Court's decision in the above case indicates that issues as to the existence of gaps in Commission jurisdiction as to either gas purchase costs or deliveries of interstate pipeline companies should not be left unsettled.

Commission Order No. 452 issued April 14, 1972, as amended by Order No. 452-A issued June 13, 1972, provides for immediate increases in pipeline rates to reflect increases in the cost of purchasing gas incurred by pipeline companies. Alterations in the Commission area rate structure under which interstate pipelines purchase gas

from producers would be necessary to effectuate exemption of payments for the royalty 12% or more of the gas from rate regulation. Under Commission Orders Nos: 452 and 452-A the result of such area rate modifications would be promptly reflected in increases in pipeline company rates for sales of gas to their customers.

CONCLUSION

For the foregoing reasons, as well as those set forth in the Petition for Writ of Certiorari, Petitioner prays that this Court grant the Petition, and review the judgment and opinion below.

Respectfully submitted,

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June 30, 1972

CERTIFICATE OF COUNSEL

As counsel for the Petitioner, I hereby certify that this Petition for Rehearing is presented in good faith and not for delay and is restricted to the grounds specified in Rule 58(2).

WM. H. EMERSON
Counsel for Petitioner